

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 24 June 2016 (the “Prospectus”) issued by Li Bao Ge Group Limited (the “Company”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



**Li Bao Ge Group Limited**

**利寶閣集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**LISTING ON THE GROWTH ENTERPRISE MARKET OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED  
BY WAY OF PLACING**

**Number of Placing Shares : 200,000,000 Placing Shares**  
**Placing Price : HK\$0.355 per Share (plus brokerage fee of  
1%, SFC transaction levy of 0.0027% and  
Stock Exchange trading fee of 0.005%)**  
**Nominal value : HK\$0.01 each**  
**Stock code : 8102**

*Sponsor*

**AmCap**

*Ample Capital Limited*  
*豐盛融資有限公司*

*Financial Adviser*

**Opus** | Capital Limited  
*創富融資有限公司*

*Sole Bookrunner and Joint Lead Managers*



**英皇證券(香港)有限公司**  
**Emperor Securities Limited**

*Joint Lead Manager*

**AmCap**

*Ample Orient Capital Limited*

- The Placing Price has been determined at HK\$0.355 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.355 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting the underwriting commission, the Stock Exchange trading fee and SFC transaction levy for the Placing Shares and the fees and expenses in connection with the Placing, are estimated to be approximately HK\$58.5 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the paragraph headed “Placing Price and use of proceeds” below.
- The 200,000,000 Shares offered by the Company under the Placing have been moderately over-subscribed.
- The Offer Size Adjustment Option has not been exercised by the Joint Lead Managers and has lapsed.
- Pursuant to the Placing, 200,000,000 Shares have been conditionally allocated to a total of 113 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/ her/it. No placee, individually, has been or will be placed more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new Substantial Shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.
- The Directors confirm that immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be approximately 36.35% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 30 June 2016. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8102.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING PRICE AND USE OF PROCEEDS**

Pursuant to the Price Determination Agreement entered into between the Company and the Joint Lead Managers (for themselves and on behalf of the Underwriter) on 27 June 2016, the Placing Price has been determined at HK\$0.355 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.355 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting the underwriting commission, the Stock Exchange trading fee and SFC transaction levy and the fees and expenses in connection with the Placing, are estimated to be approximately HK\$58.5 million.

The Directors intend to apply such net proceeds of the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus in the following manner:

- (a) approximately HK\$48.8 million, representing approximately 83.3% of the net proceeds will be used for opening two new Cantonese restaurants under the brand of “Star of Canton” in the year ending 31 December 2017 in Shenzhen, the PRC;
- (b) approximately HK\$1.5 million, representing approximately 2.6% of the net proceeds will be used for the enhancement of existing restaurant facilities. The Group plans to incur a renovation cost of approximately HK\$1.0 million for The One Restaurant in the third quarter of 2016 and an aggregate of approximately HK\$0.5 million for other restaurants of the Group in the fourth quarter of 2016;
- (c) approximately HK\$3.0 million, representing approximately 5.2% of the net proceeds will be used for the enhancement of marketing and promotions of the Group’s restaurants. The Group plans to promote the restaurants through various marketing activities, including promotion campaigns and increase advertising activities through various media, such as internet and radio broadcast; and
- (d) the balance of approximately HK\$5.2 million, representing approximately 8.9% of the net proceeds will be used for the Group’s working capital and general corporate purposes.

## **LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING**

The 200,000,000 Shares offered by the Company under the Placing have been moderately over-subscribed.

As at the date of this announcement, the Offer Size Adjustment Option has not been exercised by the Joint Lead Managers and has lapsed.

## RESULTS OF ALLOCATION

Pursuant to the Placing, 200,000,000 Shares have been conditionally allocated to a total of 113 selected professional, institutional and other investors. A total of 75 placees have been allotted three board lots of Shares or less, representing approximately 66.37% of the total number of placees under the Placing. The distribution of the Placing Shares is set out below:

	<b>Aggregate number of Placing Shares allocated</b>	<b>Approximate percentage of the total number of Placing Shares allocated</b>	<b>Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue</b>
Top placee	39,000,000	19.50%	4.88%
Top 5 placees	142,000,000	71.00%	17.75%
Top 10 placees	191,340,000	95.67%	23.92%
Top 25 placees	197,320,000	98.66%	24.67%

### Number of Placing Shares allocated

10,000  
10,001 to 100,000  
100,001 to 1,000,000  
1,000,001 to 2,000,000  
2,000,001 to 3,000,000  
3,000,001 and above

### Number of placees

56  
27  
21  
0  
0  
9

### Total:

113

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or

any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/ her/it. No placee, individually, has been or will be placed more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new Substantial Shareholder of the Company within the meaning of the GEM Listing Rules immediately after completion of the Capitalisation Issue and the Placing.

**Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **MINIMUM PUBLIC FLOAT REQUIREMENT**

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be approximately 36.35% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in public hands should, as at the time of Listing, be held among at least 100 persons.

## **DEPOSIT OF SHARE CERTIFICATES INTO CCASS**

Subject to the approval of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in the Prospectus on GEM and compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Thursday, 30 June 2016) or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

**No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.**

The share certificates issued in respect of the Placing Shares allotted and issued to the placees are expected to be deposited into CCASS on or about Wednesday, 29 June 2016 for credit to the respective CCASS Participants' or CCASS Investor Participants' stock accounts designated by the Sole Bookrunner (on behalf of the Underwriter), the placees or their respective agents (as the case may be) based on their respective instructions.

Prospective investors of the Placing Shares should note that the Joint Lead Managers (for themselves and on behalf of the Underwriter) are entitled to terminate the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the paragraph headed “Grounds for termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement will be published by the Company on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.starofcanton.com.hk](http://www.starofcanton.com.hk) accordingly.

All share certificates in respect of the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Thursday, 30 June 2016).

## COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Thursday, 30 June 2016.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.starofcanton.com.hk](http://www.starofcanton.com.hk). Shares will be traded in board lots of 10,000 Shares each. The Stock code of the Shares is 8102.

By order of the Board  
**Li Bao Ge Group Limited**  
利寶閣集團有限公司  
**Mr. Chan Chun Kit**  
Chairman

Hong Kong, 29 June 2016

*As at the date of this announcement, the executive Directors are Mr. Chan Chun Kit, Mr. Lam Kwok Leung Peter, Mr. Wong Ka Wai and Mr. Chow Yiu Pong David; and the independent non-executive Directors are Mr. Liu Chi Keung, Prof. Wong Lung Tak Patrick and Mr. Tam Tak Kei Raymond.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at [www.starofcanton.com.hk](http://www.starofcanton.com.hk).*